GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

UNSTARRED QUESTION NO:4474
ANSWERED ON:21.04.2003
ROOM TARIFFS
NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether the room tariffs in Indian hotels is higher in comparison to hotels in foreign countries such as Dubai, Malaysia, Singapore, Thailand and Sri Lanka;

(b) if so, the reasons therefor;

(c) the difference of tariffs in Indian and foreign hotels;

(d) whether tax component in tariffs is higher in India than that of foreign countries; and

(e) if so, the percentage of tax levied in foreign countries and in India?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a), (b) & (c): Hotels in India are not more expensive than comparable hotels in other neighboring countries such as Thailand, Malaysia etc. Although the published tariff in some Indian 5-star deluxe hotels is perceived to be high, in actual practice the realised rate is much lower than the published tariff because of the discount policy of the hotels.

The Government of India, Department of Tourism, however, does not regulate the room tariff of hotels. It is determined by market forces.

(d) & (e): The tax on room tariff in neighboring countries, varies between 0% in China to 9.91% in Indonesia.

With effect from 1st June, 2003, Expenditure Tax on room tariff of hotels has been withdrawn. Luxury Tax charged by the State Government on room tariff varies between 0% to 25%.